

Village of Elk Rapids Proposed FY 2020-21 Budget

Presented January 21, 2020

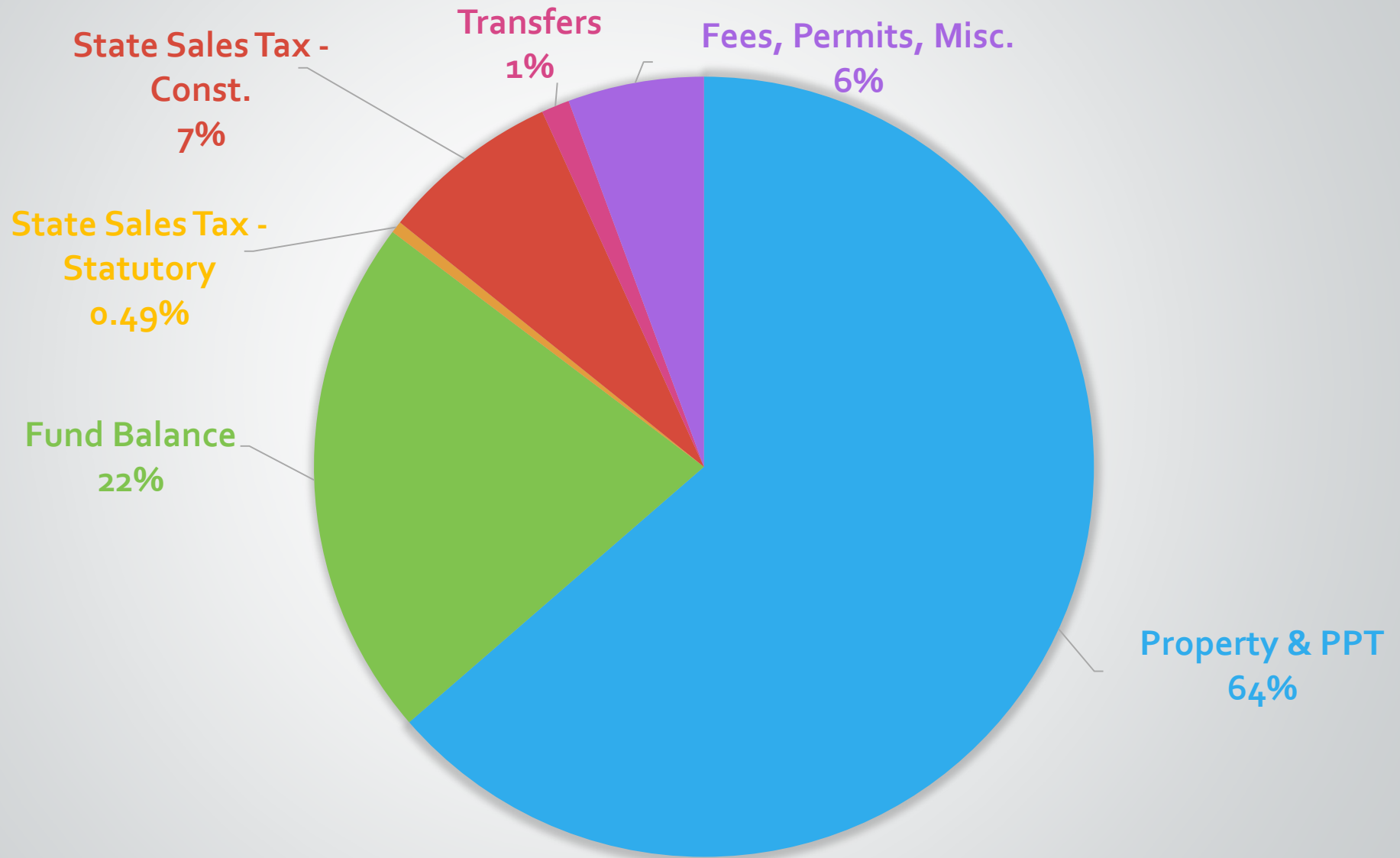
Process

- **Dept. heads & commissions review current budgets, gather info, make assumptions and draft new budgets (October)**
- **Management reviews drafts. Discussion/adjustments occur.**
- **Meanwhile, treasurer/management project revenues, cash balances and salary/benefit information across funds. Full drafts are reviewed, fund balances examined; potential solutions developed, as needed.**
- **Draft submitted for Council review, discussion & modification as needed. (Budget Work Sessions)**
- **“Final” budget presented at a Public Hearing including fee schedule with water & sewer rates and millage rate. Council may or may not incorporate adjustments.**
- **Village Council approves budget (Feb. 28 state deadline)**

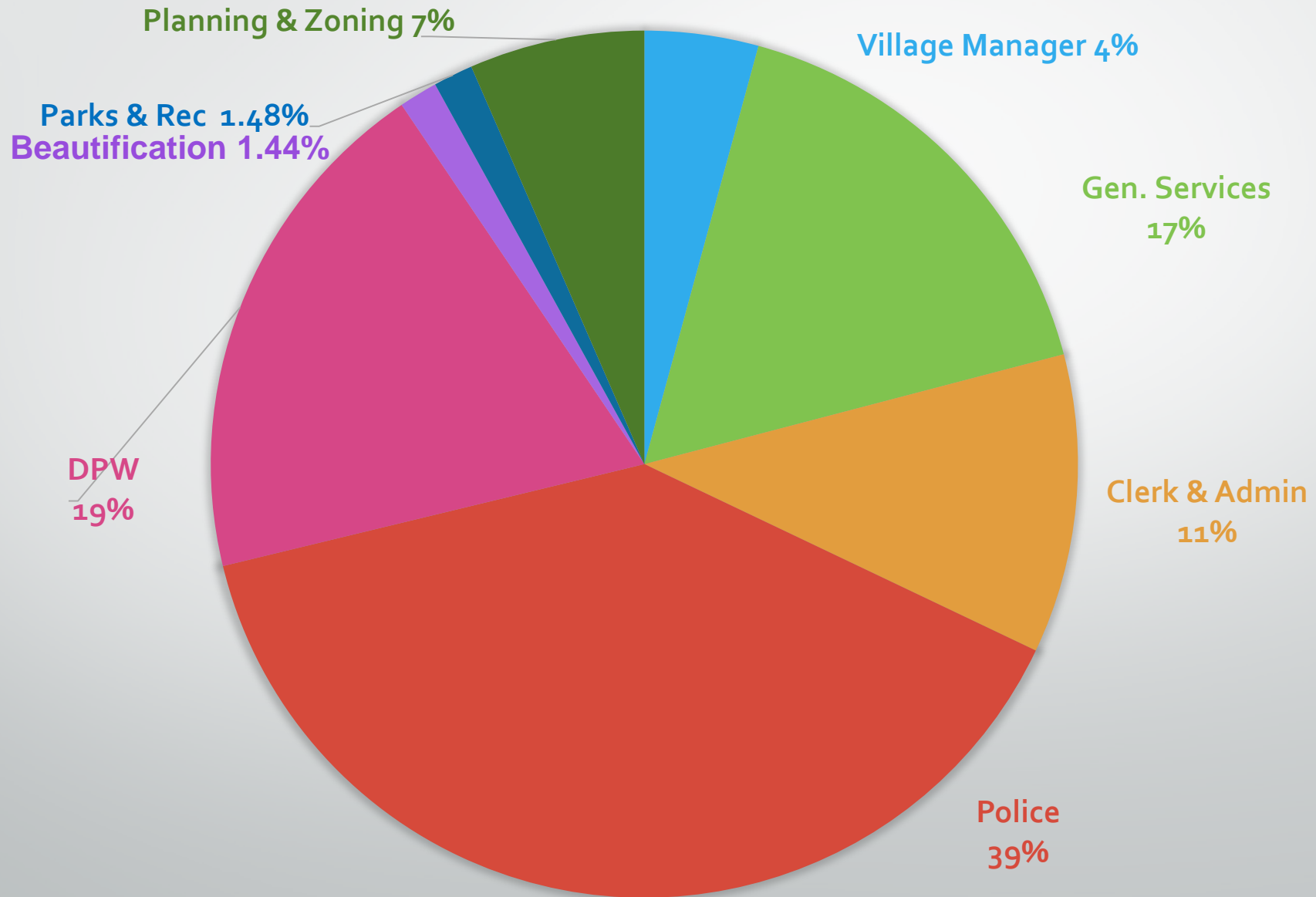
General Fund

	2016-17	2017-18	2018-19	2019-20	2020-21
Revenue	\$1,227,080	\$1,253,642	\$1,702,405	\$1,569,425	\$1,617,092
Village Manager	\$66,352	\$54,611	\$54,947	\$54,871	\$56,654
General Services	\$190,801	\$235,356	\$376,804	\$216,418	\$222,803
Clerk/Admin	\$133,051	\$144,342	\$143,019	\$134,033	\$148,984
Police	\$405,562	\$452,248	\$511,225	\$507,842	\$522,875
DPW - General Fund	\$253,328	\$281,005	\$230,200	\$234,549	\$258,099
Beautification	\$18,864	\$12,697	\$20,550	\$19,263	\$19,249
Parks & Rec	\$2,527	\$2,000	\$11,550	\$11,550	\$19,768
Planning & Zoning	\$90,657	\$88,195	\$102,270	\$88,576	\$87,294
Expense Totals	\$1,161,142	\$1,270,454	\$1,450,565	\$1,267,102	\$1,335,726

General Fund Revenues



General Fund Expenditures



DPW Responsibilities (expenses)

General Fund	\$258,099
Major Streets	\$255,003
Local Streets	\$223,550
Municipal Streets	\$293,149
Waste Collection	\$153,926
Building Operations	\$82,470
Water Construction*	\$200,000
General Capital	\$123,000
SAW Grant*	\$100,000
Sewer Capital	\$131,500
Water Capital	\$10,000
Sewer Operations	\$1,102,126
Water Operations	\$991,609
Motor Vehicle Fund	\$380,931
	\$4,305,363

***Closes FY 2021**

All Other Funds (slide 1 of 3)

KEY= CLOSES 2020-21	2016-17	2017-18	2018-19	2019-20	2019-20	2020-21
	ACTIVITY	ACTIVITY	ACTIVITY	ACTIVITY	AMENDED BUDGET	REQUESTED
MAJOR ST - REV	274,912	301,506	276,536	150,732	368,785	480,150
MAJOR ST - EXP	232,015	251,969	246,066	143,023	300,437	255,003
LOCAL ST - REV	212,258	215,405	205,546	86,100	250,384	320,050
LOCAL ST - EXP	175,428	200,731	163,810	121,882	208,488	223,550
MUNI ST - REV	351,784	362,753	378,073	380,364	374,350	416,634
MUNI ST - EXP	326,950	315,574	249,425	269,729	310,238	293,149
WASTE COLL - REV	131,148	131,664	127,476	163,007	179,675	184,530
WASTE COLL - EXP	140,325	160,349	146,013	118,660	148,407	153,926
BLDG OPS - REV	65,989	62,512	68,749	40,470	90,000	99,000
BLDG OPS - EXP	59,359	58,914	68,748	40,361	73,410	82,470
WATER BOND - REV	45,866	47,362	46,235	13	71,025	45,845
WATER BOND - EXP	44,275	43,375	42,475	46,519	46,519	45,506
WATER CONST - REV	1,251,846	687,808	4,148,141	235	512,235	200,000
WATER CONST - EXP		(6,717)	3,754,553	270,388	281,200	200,000

All Other Funds (slide 2 of 3)

KEY= CLOSES 2020-21	2016-17	2017-18	2018-19	2019-20	2019-20	2020-21
	ACTIVITY	ACTIVITY	ACTIVITY	ACTIVITY	AMENDED BUDGET	REQUESTED
GEN CAP - REV	48,603	49,035	49,621	27,976	293,400	148,500
GEN CAP - EXP	38,678	23,714	161,005	130,536	254,000	123,000
MDEQ SAW GRANT REV			174,390	125,113	750,000	100,000
MDEQ SAW GRANT EXP			86,764	92,405	750,000	100,000
SEWER CAP - REV	25,203	390,989	150,518	36,155	613,200	355,900
SEWER CAP - EXP	102,499	41,032	92,234	31,698	464,000	131,500
HARBOR CAP - REV	149,074	481,538	375,310	209	270,100	227,200
HARBOR CAP - EXP	6,510	85,518	8,989	137,277	193,000	167,870
WATER CAP - REV		450,000	335,555	238	660,300	650,250
WATER CAP - EXP				37,214	50,000	10,000

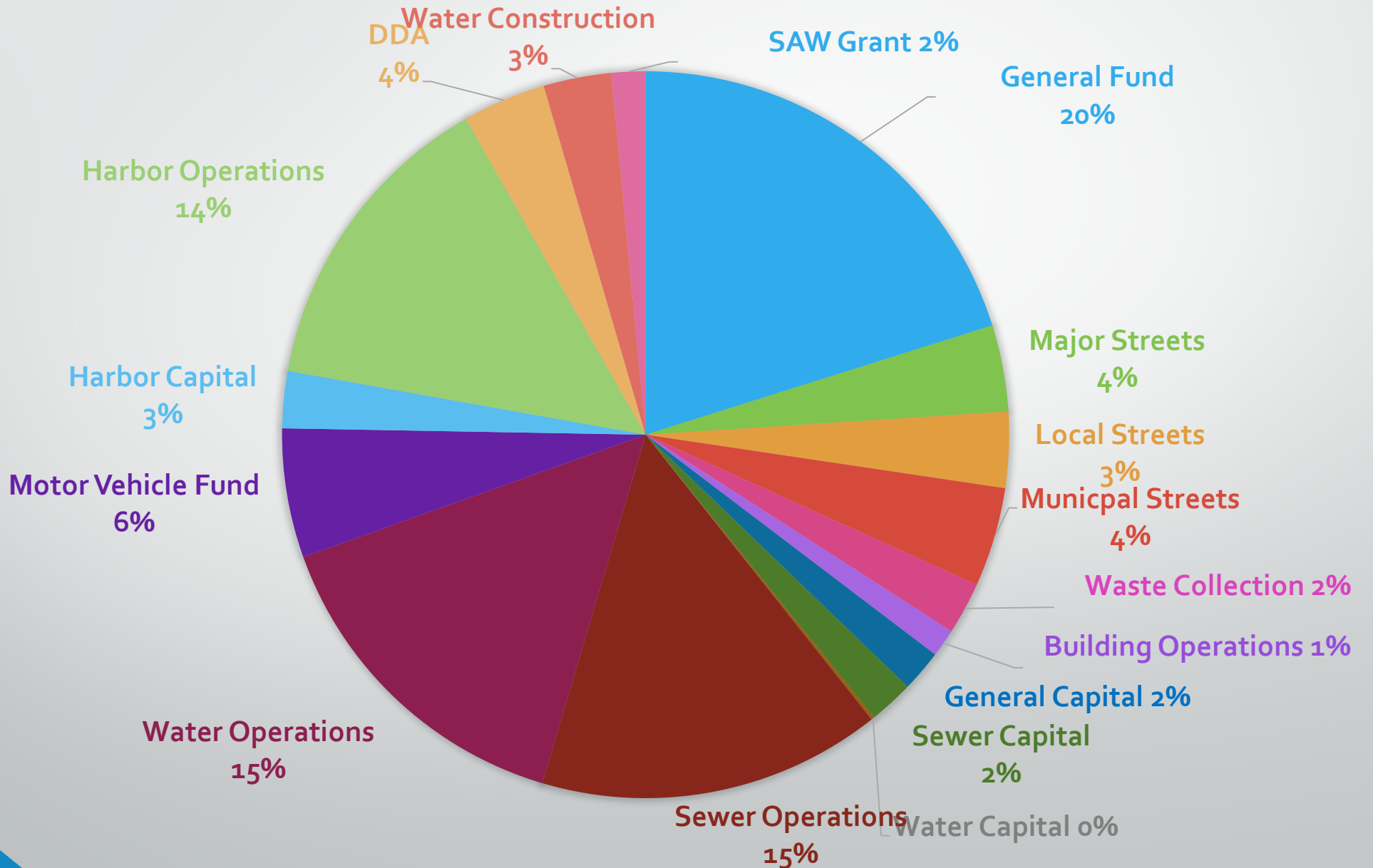
All Other Funds (slide 3 of 3)

KEY= CLOSURES 2020-21	2016-17	2017-18	2018-19	2019-20	2019-20 AMENDED BUDGET	2020-21 REQUESTED
	ACTIVITY	ACTIVITY	ACTIVITY	ACTIVITY		
SEWER OPS - REV	1,012,337	1,063,593	1,000,487	603,974	1,679,600	1,276,949
SEWER OPS - EXP	880,235	1,441,292	1,190,183	707,421	1,385,468	1,012,126
HARBOR OPS - REV	1,070,786	1,071,015	1,099,454	1,011,526	1,212,713	1,257,400
HARBOR OPS - EXP	1,225,771	1,437,756	1,585,889	785,059	1,000,272	925,373
WATER OPS - REV	326,450	921,087	899,306	575,132	1,327,500	1,307,147
WATER OPS - EXP	365,049	4,494,672	995,699	618,618	1,212,588	991,609
MOTOR VEH FUND - RE	300,643	344,274	367,716	348,659	520,300	460,200
MOTOR VEH FUND - EX	267,017	394,480	522,770	158,390	388,214	380,931
DDA TIFA - REV	121,826	157,774	134,914	146,618	183,040	246,258
DDA TIFA - EXP	121,826	157,774	134,914	146,618	183,040	246,258
HARBOR BREAKWATER RESERVE FUND	832	924	886	240	455,500	508,500

Breakdown Overall Expenditures

	2018-19	2019-20	2020-21
OVERALL EXPENDITURES	ACTIVITY	AMENDED BUDGET	REQUESTED BUDGET
General Fund	1,450,565	1,267,102	1,335,726
Major Streets	246,066	300,437	255,003
Local Streets	163,810	208,488	223,550
Municipal Streets	249,425	310,238	293,149
Waste Collection	146,013	148,407	153,926
Building Operations	68,748	73,410	82,470
General Capital	161,005	254,000	123,000
Sewer Capital	92,234	464,000	131,500
Water Capital		50,000	10,000
Sewer Operations	1,190,183	1,385,468	1,012,126
Water Operations	995,699	1,212,588	991,609
Motor Vehicle Fund	522,770	388,214	380,931
Harbor Capital	8,989	193,000	167,870
Harbor Operations	1,585,889	1,000,272	925,373
DDA	134,914	183,040	246,258
Subtotal	7,016,310	7,438,664	6,332,491
Short-term Projects:			
Water Construction	3,754,553	281,200	200,000
SAW Grant	86,764	750,000	100,000
Total Expenditures	10,857,627	8,469,864	6,632,491

Breakdown Overall Expenditures



Village Debt Progress Continues

Year Debt Incurred	Year Debt to be Retired	Purpose	Amount of Debt	Total Due	Fund			
2008	2024	DDA Bond (Lake & Loomis)	\$600,000.00	\$55,875.00	791 - DDA/TIFA Fund			
2012	2027	Harbor - Capital Improv & Re-funding	\$1,245,000.00	\$88,425.00	594 - Harbor Operations			
2013	2020	Re-funding of Water Bond	\$285,000.00	\$45,506.25	301 - Water Bond 2013			
2013	2024	River Street - Re-funding Bond	\$530,000.00	\$61,637.50	204 - Muni & 595 - Water Op			
2015	2035	WWTP Construction (SRF)	\$4,400,000.00	\$272,848.68	590- Sewer Operations			
2016	2036	Water System Improvements	\$2,000,000.00	\$125,762.50	595- Water Operations			
2017	2037	Water System Improvements	\$3,500,000.00	\$240,800.00	595- Water Operations			
			\$12,560,000.00	\$890,854.93				

Millage 10-year History

Year	General Fund	Muni Streets	Waste Collection	Subtotal	Bond Debt	Total
2010	8.0346	2.6800	0.8679	11.5825	0.4312	12.0137
2011	7.7632	2.7012	1.0531	11.5175	0.4325	11.9500
2012	7.4950	3.1002	0.9558	11.5510	0.4635	12.0145
2013	7.3805	3.1554	0.9200	11.4559	0.4441	11.9000
2014	7.6950	3.0200	0.7800	11.4950	0.3050	11.8000
2015	7.5800	3.0200	0.7800	11.3800	0.4200	11.8000
2016	7.5800	3.0500	0.7700	11.4000	0.4000	11.8000
2017	7.5800	3.0500	0.7700	11.4000	0.4000	11.8000
2018	7.6050	3.0500	0.7700	11.4250	0.3750	11.8000
2019	8.1000	3.1000	1.1000	12.3000	0.0000	12.3000
2020	8.1000	3.0000	1.2000	12.3000	0.0000	12.3000

Taxable Value History 2012-2020

Fiscal	Taxable	Percentage
Year	Value	Increase
2012 - 2013	\$105,907,946	
2013 - 2014	\$106,241,283	0.31%
2014 - 2015	\$108,533,886	2.16%
2015 - 2016	\$111,208,697	2.46%
2016 - 2017	\$114,039,973	2.55%
2017 - 2018	\$117,702,902	3.21%
2018 - 2019	\$122,304,870	3.90%
2019 - 2020	\$128,414,402	5.00%
2020 - 2021	\$133,550,978	4.00% projected

Fund Balance

- **State requirement to assure solvency**
- **Emergencies**
(EX: high water levels, 2015 windstorm)
- **Plan/save for identified or likely major expenses**
- **Village uses 20% minimum fund balance (3 mos.)**
- **Each fund has separate balance because of enterprise and restricted funds.**

Utility Rates (Water & Sewer)

	Actual	Actual	Actual	Proposed	Change
	2017-2018	2018-2019	2019-2020	2020-21	from last year
Water - Flat Rate	\$36.61	\$36.61	\$37.71	\$38.46	\$0.75
Water - Usage/ 1,000 gallons	\$4.36	\$4.36	\$4.49	\$4.58	\$0.09
Sewer - Flat Rate	\$34.75	\$34.75	\$35.79	\$36.68	\$0.89
Sewer - Usage/tied to water	\$6.95	\$6.95	\$7.16	\$7.34	\$0.18
					<u>\$1.91</u>
Change funds 1 mile water line, 1 mile sewer line, 2 miles street @ 5 years					

Overall Highlights - 2020-2021

- **Asset Management System = maintenance/replacement plans for village assets (water, sewer, streets, etc.)**
- **Millage Rate: remains 12.3 (assuming Council approval)**
- **Utility Rates: Water 2%, Sewer 2.5% - rather than projected 3% across the board (assuming Council approval). Review each year for appropriate adjustment.**
- **The Government Center building capital fund is established. Village & Township both contributing, with ongoing review.**
- **Water Project, Water Bond, SAW Grant, and Dam Beach Restroom projects all close this FY.**
- **Bond funds are now reflected in operations budgets, per auditor.**
- **Housing solutions remain top priority.**
- **Ames Street District Plan to be created by C2AE.**
- **Pursuing Redevelopment Ready Certification.**
- **Developing Capital Improvement Plan (5-yr minimum)**

Looking Ahead

- **Water and Sewer projects @ 5 years. Each project replaces 1 mile of water line, 1 mile of sewer line and associated street/alley.**
- **\$1 Million per project, depending on annual Construction Cost Index (3.7%).**
- **Saving v bonding saves \$14 million over the next 80 years.**
- **Each department continually seeks cost reductions and operational efficiencies; pursues applicable grant opportunities.**



QUESTIONS?